

1 DAVID R. ZARO (BAR NO. 124334)  
 2 JOSHUA A. DEL CASTILLO (BAR NO. 239015)  
 3 MELISSA K. ZONNE (BAR NO. 301581)  
 4 ALLEN MATKINS LECK GAMBLE  
 5 MALLORY & NATSIS LLP  
 6 865 South Figueroa Street, Suite 2800  
 7 Los Angeles, California 90017-2543  
 8 Phone: (213) 622-5555  
 9 Fax: (213) 620-8816  
 10 E-Mail: dzaro@allenmatkins.com  
 11 jdelcastillo@allenmatkins.com  
 12 mzone@allenmatkins.com

13 Attorneys for Receiver  
 14 STEPHEN J. DONELL

15 UNITED STATES DISTRICT COURT  
 16 CENTRAL DISTRICT OF CALIFORNIA

17 SECURITIES AND EXCHANGE  
 18 COMMISSION,

19 Plaintiff,

20 v.

21 ROBERT YANG, et al.,

22 Defendants,

23 YANROB'S MEDICAL, INC., et al.,

24 Relief Defendants.

Case No. 5:15-CV-02387-SVW (KKx)

THIRD QUARTERLY STATUS  
 REPORT OF RECEIVER, STEPHEN J.  
 DONELL

[Notice of Filing submitted concurrently  
 herewith]

Ctrm: 6  
 Judge: Hon. Stephen V. Wilson

25 **TO ALL PARTIES, THEIR COUNSEL OF RECORD, AND THIS**  
 26 **HONORABLE COURT:**

27 In accordance with this Court's December 11, 2015 Preliminary Injunction,  
 28 Order Appointing Receiver, Freezing Assets, and Providing for Other Ancillary  
 Relief (the "Appointment Order") and Local Rules 66-7(c) & (d) and 6-1, Stephen  
 J. Donell, the Court-appointed Receiver ("Receiver") for Defendants Suncor  
 Fontana, LLC, Suncor Hesperia, LLC, Suncor Care Lynwood, LLC, and their  
 respective subsidiaries and affiliates (collectively, the "Receivership Entities" or

1 "Entities") hereby submits the following Third Quarterly Status Report (the  
2 "Report"), generally for the period from July 1, 2016 through September 30, 2016<sup>1</sup>:

3 **I. PRELIMINARY STATEMENT.**

4 As previously detailed in the Receiver's Initial Report Re: Marshaling and  
5 Preservation of Receivership Assets, and Petition for Further Instructions, filed on  
6 December 23, 2015 (the "Initial Report"), his April 18, 2016 First Quarterly Status  
7 Report (the "First Status Report"), and his August 15, 2016 Second Quarterly Status  
8 Report (the "Second Status Report"), and as further detailed below, the Receiver has  
9 made substantial progress in his efforts to identify, marshal, and administer the  
10 available assets of the Receivership Entities ("Receivership Assets" or "Assets"),  
11 and has completed his analysis of the business and financial activities of the  
12 Receivership Entities, memorialized in his May 20, 2016 Amended Forensic  
13 Accounting Report. While the Receiver's work is ongoing, the status of his efforts  
14 and the preliminary conclusions<sup>2</sup> developed from his review and analysis of  
15 materials recovered to date are appropriate for presentation in this Report.

16 By way of summary, since the submission of his Second Status Report in  
17 August 2016, the Receiver has:

- 18 • Continued to administer the estates of the Receivership Entities  
19 (collectively, the "Estate"), funded via cash recoveries of \$2.43 million,  
20 not including an additional \$2 million held pending further proceedings  
21 before the Court;
- 22 • Secured the turn-over of \$400,000 of cash Assets from GBC

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24 <sup>1</sup> The Report also includes information relating to key asset recovery and  
25 disposition developments occurring after September 30, 2016, given their  
26 importance to the Receiver's administration of the Receivership Entities, and so  
27 as to provide the Court and interested parties with the most up-to-date  
28 information available as of the date of its filing.

<sup>2</sup> Due to the volume and nature of the information recovered, the nature and  
complexity of the matters and transactions to which they relate, and the  
Receiver's need to complete his work, the Receiver's conclusions are presented  
herein are preliminary. The Receiver may modify such conclusions after further  
investigation and analysis.

1 International Bank ("GBC Bank") and facilitated the sale of a real  
2 related real property Asset, which the Receiver had determined  
3 represented a net liability to the Receivership Entities, to the extent  
4 they held any beneficial interest therein;

- 5 • Entered into settlement negotiations with Metropolitan Water District  
6 of Southern California regarding efforts to recover \$250,000 in funds  
7 paid as liquidated damages by Defendants in connection with a failed  
8 real estate deal;
- 9 • Investigated the tax profiles and records of the Receivership Entities,  
10 determined that none of the Entities ever filed tax returns, and, after  
11 conferring with his tax consultant and analyzing the feasibility of  
12 submitting so-called informational returns for the pre-receivership  
13 period, determined that there is insufficient information available to  
14 submit accurate returns. As such, the Receiver will request to be  
15 relieved of any obligation to file tax returns for the pre-receivership  
16 period, but will submit accurate and appropriate returns for the post-  
17 receivership period;
- 18 • Solicited and countered purchase offers received in connection with the  
19 anticipated sales of the Entities' remaining real estate Assets, which  
20 sales he anticipates submitting for Court approval within the next  
21 ninety (90) days;
- 22 • Developed a claims process, filed a motion seeking Court approval of  
23 the proposed claims process and secured such approval;
- 24 • Continued to monitor and participate in all pending state court litigation  
25 matters affecting or relating to the Receivership Entities, and  
26 maintained the status quo in such matters; and
- 27 • Communicated with a number of investors (and counsel for investors)  
28 in the Receivership Entities regarding the status of the receivership,

1 issues relating to investor immigration petitions, registration via the  
2 Receiver's website, and anticipated participation in the claims process.

3 As reflected in the Appointment Order, the Receiver is vested with exclusive  
4 authority and control over the Receivership Entities and all Receivership Assets, and  
5 has been authorized, empowered and directed to, among other things: (1) take  
6 control of the Receivership Entities and of their Assets and Records; (2) conduct  
7 such investigation and discovery as necessary to identify and locate outstanding  
8 Receivership Assets; (3) preserve and prevent the dissipation of Receivership  
9 Assets, and manage such Assets for the benefit of the estate of the Receivership  
10 Entities; and (4) provide an accounting to the Court and the parties regarding the  
11 business and financial activities of the Receivership Entities. The Receiver and his  
12 counsel of record, Allen Matkins Leck Gamble Mallory & Natsis LLP ("Allen  
13 Matkins"), have diligently pursued these goals since the inception of the  
14 receivership, and the Receiver's efforts, analysis, supplemental preliminary  
15 conclusions, and recommendations are summarized below.<sup>3</sup>

16 **II. RELEVANT PROCEDURAL HISTORY.**

17 The Receiver invites the Court and all interested parties to review the  
18 following documents for a general summary of the relevant facts underlying the  
19 above-captioned case, the facts relevant to the instant receivership, and the  
20 Receiver's appointment:

- 21 • The Plaintiff Securities and Exchange Commission's (the  
22 "Commission") Complaint, filed on November 19, 2015 (Dkt. No. 1);
- 23 • The Commission's Ex Parte Application for Temporary Restraining  
24 Order, filed on November 19, 2015 (Dkt. Nos. 4, 5);

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27 <sup>3</sup> Please note that the fact that this Report does not address any particular fact or  
28 issue addressed in the Receiver's Initial Report or Second Status Report does not  
reflect a determination by the Receiver that such facts or issues are no longer  
pertinent or that any previously presented conclusions have been modified or  
rescinded.

- 1 • Temporary Restraining Order, entered by the Court on November 25,  
2 2015 (Dkt. No. 14)
- 3 • Stipulation Regarding Emergency Entry of Preliminary Injunction,  
4 Order Appointing Receiver, Freezing Assets, and Providing for Other  
5 Ancillary Relief, filed on December 11, 2015 (Dkt. No. 17);
- 6 • Appointment Order, entered by the Court on December 11, 2015 (Dkt.  
7 No. 18);
- 8 • Receiver's Initial Report, filed on December 23, 2015 (Dkt. No. 20);
- 9 • Receiver's Motion for Order in Aid of Receivership (Dkt. No. 30);
- 10 • Order in Aid of Receivership, entered March 8, 2016 (Dkt. No. 46);
- 11 • Receiver's Ex Parte Application for Order to Show Cause why Celtic  
12 Bank Should not be Held in Civil Contempt (Dkt. Nos. 48-50);
- 13 • Receiver's First Status Report, filed on April 18, 2016 (Dkt. No. 53);
- 14 • Receiver's Motion for Authority to Abandon Contract, filed on May 27,  
15 2016 (Dkt. Nos. 72-75);
- 16 • Minute Order instructing Celtic Bank to turn over funds to Receiver,  
17 entered on June 6, 2016 (Dkt. No. 83);
- 18 • Order Granting Stipulation to Amend Court's June 6, 2016 Minute  
19 Order, entered on June 22, 2016 (Dkt. No. 94);
- 20 • Receiver's Motion for Order Authorizing Receiver to Abandon Real  
21 Property Located at 17577 & 17579 Sultana Street, Hesperia,  
22 California 92345 (the "Hesperia Abandonment Motion") (Dkt. Nos.  
23 109-111);
- 24 • Receiver's Motion for Order Authorizing Receiver to Abandon Real  
25 Property Located at 7227 Oleander Avenue, Fontana California 92336  
26 (the "Fontana Abandonment Motion") (Dkt. Nos. 115-117);
- 27 • Receiver's Second Quarterly Status Report (Dkt. Nos. 129-130);
- 28

- 1 • Order Authorizing Motion for Authority to Abandon Contract (Dkt. No. 132);
- 2
- 3 • Order Authorizing the Fontana Abandonment Motion (Dkt. No. 133);
- 4 • Order Authorizing the Hesperia Abandonment Motion (Dkt. No. 134);
- 5 • Stipulation Authorizing Abandonment and Sale of the Real Property and Improvements located at 406 East Vanderbilt Way, San Bernardino California 92408, APN 0281-341-23 (the "Vanderbilt Property") (Dkt. No. 136);
- 6
- 7 • Order Authorizing Abandonment and Sale of the Vanderbilt Property (Dkt. No. 137);
- 8
- 9 • Motion for Order: (1) Approving Claim Form; (2) Setting Claims Bar Date; and (3) Establishing Summary Claims Procedures ("Claims Motion") (Dkt. No. 148); and
- 10
- 11 • Order Granting Claims Motion (Dkt. No. 149).
- 12
- 13
- 14

15 **III. SUMMARY OF RECEIVER'S ACTIVITIES AND EFFORTS SINCE**  
 16 **SUBMISSION OF THE FIRST STATUS REPORT.**

17 **A. Marshaling and Preserving Receivership Assets.**

18 1. Cash Assets.

19 For the period ending on September 30, 2016, the Receiver had recovered  
 20 \$2,429,781.32<sup>4</sup>, less disbursements, for the administration and benefit of the  
 21 Entities, as detailed below:

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26 <sup>4</sup> In addition to the funds reported in the table and as noted herein, the Receiver  
 27 also recovered another \$400,000 from GBC Bank. The table includes cash  
 28 recovered from Relief Defendant Yanrob's Medical, Inc. ("Yanrob"). The  
 Receiver claims these funds as a Receivership Asset because, as detailed in his  
 Forensic Accounting Report and Amended Forensic Accounting Report,  
 substantial funds were transferred from the Entities to Yanrob, and are subject to  
 turn-over to the receivership estate.

<u>Source</u>	<u>Amount</u>
Citizens Business Bank / Suncor Fontana LLC	\$568.69
Bank of America / Suncor Fontana LLC	\$400.55
Citizens Business Bank / Suncor Hesperia LLC	\$7,910.06
Bank of America / Suncor Lynwood, LLC	\$40,177.93
Bank of America / Yanrob – PR Account	\$7,816.18
Suncor Hesperia LLC Property Tax Refund	\$1,335.58
Park Place Escrow / Suncor Lynwood LLC	\$750,210.00
Park Place Escrow / Mentone	\$3,099.02
Orange Community Escrow / Suncor Hesperia LLC	\$1,416,030.00
Suncor Hesperia LLC Property Tax Refund	\$112.77
Law Office of Daniel Deng / Suncor Lynwood LLC	\$16,550.16
Law Office of Daniel Deng / Suncor Lynwood LLC	\$5,000.00
Pacific Premier Bank / Yanrob	\$173,315.38 <sup>5</sup>
Milligan, Beswick Levine & Knox, LLP / Suncor Fontana LLC	\$7,255.00
<b>TOTAL:</b>	<b>\$2,429,781.32<sup>6</sup></b>

18 In accordance with Section V(O)(5)(c) of the Appointment Order, monthly  
 19 summaries of the Receiver's aggregate receipts, transfers of and reallocation of  
 20 funds within receivership accounts, and disbursements from the period from July 1,  
 21 2016 through November 30, 2016 are collectively attached as **Exhibit 1**.<sup>7</sup> A  
 22 preliminary draft of the Receiver's most recent monthly Standardized Fund  
 23

24 <sup>5</sup> This figure includes funds on deposit with and turned over by a Yanrob insurer,  
 25 in the amount of \$110,956.02.

26 <sup>6</sup> This amount does not include an additional \$2 million recently turned over by  
 Celtic Bank, which funds are held in a separate account pending a determination  
 of rights, in accordance with the Court's recent orders.

27 <sup>7</sup> While the Receiver has determined that the Entities were treated as a unitary  
 enterprise, and recommends treating the Estate as a common asset pool, the  
 28 Receiver has, to date, maintained an Entity-specific accounting of receipts and  
 disbursements.

1 Accounting Report, ending November 30, 2016, showing the Receiver's recent  
2 receipts and disbursements is attached as **Exhibit 2**.

3 2. Additional cash Assets identified or recovered by the Receiver.

4 As noted in the Receiver's prior submissions to the Court, the Receiver has  
5 identified additional cash Assets, which funds he believes are subject to the turn-  
6 over requirements of the Appointment Order. As addressed below, Celtic Bank has  
7 turned over \$2 million to the Receiver, pending a further determination of the  
8 parties' respective interests. Likewise, the GBC Bank has turned over and  
9 completely released to the Receiver another \$400,000, which funds it had previously  
10 claimed were collateral for loans made to Yanrob. Finally, the Receiver has entered  
11 into substantive negotiations with the Metropolitan Water District of Southern  
12 California regarding \$250,000 in funds paid as liquidated damages by Defendants in  
13 connection with a failed real estate deal. The Receiver is optimistic that these  
14 discussions will, assuming Court approval of any proposed settlement, yield an  
15 additional six-figure return to the Estate.

16 (a) *Funds Turned Over from Deposit Accounts at Celtic Bank.*

17 As detailed in the Second Status Report, the Receiver has recovered  
18 \$2 million in cash Assets from Celtic Bank. These funds were derived directly from  
19 Entity investors and deposited in two (2) deposit accounts at Celtic Bank in the pre-  
20 receivership period, in the name of Relief Defendants HealthPro Capital Partners,  
21 LLC ("HealthPro") and Suncor Care, Inc. ("Suncor Care").<sup>8</sup> Per the Court's  
22 instruction, the Receiver continues to maintain these funds in a separate accounting  
23 pending a later determination of the parties' respective rights.

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27 <sup>8</sup> HealthPro and Suncor Care have been determined by the Receiver to be affiliates  
28 of the Receivership Entities used for the purposes of carrying out the Entities'  
business and financial activities and, consequently, and in accordance with the  
provisions of the Appointment Order, Receivership Entities themselves.





1 estate purchase transaction, which transfer was characterized as the payment of  
2 liquidated damages to the MWD. The Receiver has made a demand upon the MWD  
3 for the return of these funds, which he maintains include Receivership Assets  
4 fraudulently transferred to the MWD and subject to disgorgement in accordance  
5 with the requirements of the Appointment Order. As of the date of this Report, the  
6 Receiver is in settlement negotiations with the MWD in connection with these  
7 funds, and believes that a settlement may be reached and submitted for Court  
8 approval shortly.

9 (d) *Funds paid to and held by Mason Investments, LLC.*

10 As reflected in prior submissions to the Court, the Receiver has confirmed  
11 that the Receivership Entities' finder, Mason Investments, LLC ("Mason") and its  
12 China-based affiliate collectively received millions in funds derived from investors,  
13 in the form of commissions undisclosed to investors and administrative fees. While  
14 the Receiver had initially been led to believe that all of these funds had been  
15 expended or otherwise rendered unrecoverable, he recently confirmed with counsel  
16 for Mason that a portion of these funds may still be available, and have been frozen  
17 in accordance with the terms of the Appointment Order. The Receiver has made a  
18 demand for the turnover of these funds, and expects to work with all interested  
19 parties to recovery any available funds for the benefit of Entity investors.

20 **B. Real Property Asset Administration And Disposition Plans.**

21 As detailed in the Second Status Report, the Estate was initially comprised, in  
22 substantial part, of the real properties commonly known as the Hesperia Project, the  
23 Fontana Project, and the Lynwood Project (collectively, the "Projects"), along with  
24 another property in Mentone, California (the "Mentone Property"), purchased with  
25 Entity investor funds. Receivership Assets are directly implicated in the purchase,  
26 development, and/or management of the Projects and the Mentone Property. As  
27 addressed in prior submissions to the Court, the Receiver has endeavored, since the  
28 inception of the receivership, to manage and preserve these properties for the benefit

1 of the Estate. However, as discussed below, after the Receiver obtained brokers'  
2 opinions of value ("BOVs") for each of the Projects, and completed an analysis of  
3 the value of and all secured and other claims against the Projects, the Mentone  
4 Property, he concluded that some Projects were subject to abandonment in  
5 accordance with the terms of the Court's Order in Aid of Receivership. The status  
6 of his disposition efforts is as follows:

7 1. The Hesperia Project.

8 The Hesperia Project consists of the real property located at 17577-17579  
9 Sultana Street, in Hesperia, California. As reflected in the Hesperia Abandonment  
10 Motion, the Hesperia Project is currently undeveloped land, apparently intended by  
11 the Defendants to be developed as a sub-acute care / skilled nursing facility. While  
12 the Receiver has confirmed that development and construction plans for the  
13 Hesperia Project were prepared in the pre-receivership period, and that the grading  
14 and excavation at the site seems to have been undertaken in accordance with those  
15 plans, it remains unclear whether the Project was properly entitled and/or obtained  
16 all requisite permits. The Receiver concluded that the Project was substantially  
17 underwater; that is, worth less than the amount of secured (and securable) claims  
18 against it, and was under threat of foreclosure.<sup>9</sup> The Receiver moved for authority  
19 to abandon the Project on June 30, 2016 (Dkt. No. 109). The Court entered its  
20 Order granting the Receiver's motion on August 8, 2016 (Dkt. No. 134). This  
21 Project has since been abandoned.

22 2. The Fontana Project.

23 The Fontana Project consists of the real property and partially completed  
24 construction located at 7227 Oleander Avenue, Fontana, California. Like the  
25 Hesperia Project, the Fontana Project appears to have been intended to be developed  
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27 <sup>9</sup> Specifically, the aggregate of confirmed secured and unsecured debt on the  
28 Project, coupled with the fact that the Receiver's real property broker did not  
generate even a single purchase offer for the Project, has led the Receiver to  
conclude that the Project is "underwater."

1 as a sub-acute or skilled nursing facility.<sup>10</sup> The Receiver confirmed that the amount  
2 owing (and secured by the Project) in connection with Celtic Bank's loans against  
3 the Project alone was at least \$3 million, and discovered that the Project is the  
4 subject of a number of lawsuits brought by contractors in state court, and likely  
5 subject to mechanics' lien claims in the high six- or even seven-figures. The  
6 Receiver filed the Fontana Abandonment Motion, on July 15, 2016 (Dkt. No. 115).  
7 His motion was granted and an order entered on August 16, 2016 (Dkt. No. 133).  
8 This Project has since been abandoned.

9           3.     The Lynwood Project.

10           The Lynwood Project consists of the real property and improvements located  
11 at 3598 Martin Luther King, Jr. Boulevard, Lynwood, California. The Project is  
12 currently a vacant structure previously used as a skilled nursing facility and  
13 apparently intended to be re-developed as a sub-acute care / skilled nursing facility  
14 by the Defendants. The Receiver's BOV and other research suggests that the Project  
15 is worth at least \$1 million, and perhaps as much as \$2 million. As of the date of  
16 this Report, the Receiver has received at least two (2) viable offers to purchase the  
17 Lynwood Property, ranging from \$1.9 million to \$2 million. In addition, the  
18 Receiver's real property brokers continue to receive offers to purchase the Lynwood  
19 Project. Based on current valuations, the Receiver believes the best offers to  
20 purchase the Lynwood Project would net the Estate approximately \$1.5 million,  
21 after the payment of outstanding, pre-receivership taxes and fees. The Receiver is in  
22 negotiation with prospective buyers at this time, and anticipates submitting a  
23 proposed sale for Court approval soon.

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27 <sup>10</sup> While construction at the Fontana Project has ceased, at the Receiver's direction  
28 and because the construction lender for the Project has suspended funding, the  
Receiver has secured insurance for the Project and has been providing 24/7  
security at the Project in order to preserve the existing improvements, the cost of  
which has been substantial.

1                   4.     The Mentone Property.

2                   As the Receiver previously reported, he has confirmed that at least \$500,000  
3 in funds raised from investors in the Lynwood Project were diverted for the  
4 purchase of the Mentone Property. The Mentone Property is presently comprised of  
5 unproductive orchard land, but sits at the center of a series of parcels of real  
6 property immediately adjacent to the City of Redlands, which parcels are apparently  
7 intended to be developed as single-family housing. Based on the materials reviewed  
8 and recovered to date, including a pre-receivership PSA for the Mentone Property,  
9 the Receiver believes that the Defendants intended to redevelop (including securing  
10 permits and entitlements) the Mentone Property as a site for 27 single-family homes,  
11 at which point the property would be sold.

12                  As reflected in the Receiver's recently submitted motion to abandon the PSA  
13 for the Mentone Property (Dkt. No. 119), the pre-receivership PSA would subject  
14 the Receiver to a number of onerous requirements, which could cost \$500,000 or  
15 more, with no guarantee of a sale even in the event that such costs were incurred.  
16 Accordingly, the Court entered an Order Authorizing the Receiver to abandon the  
17 PSA on August 15, 2016 (Dkt. No. 132).

18                  Since then, the Receiver has aggressively and actively marketed the Mentone  
19 Property. As of the date of this Report, the Receiver has received at least three (3)  
20 viable offers to purchase the property, ranging from \$1 million to \$1.15 million.  
21 There are no significant outstanding liens or other payments due in connection with  
22 the Mentone Property, meaning that the overwhelming bulk of the eventual purchase  
23 price will represent net proceeds to the Estate.<sup>11</sup> The Receiver is currently in  
24

25 \_\_\_\_\_  
26 <sup>11</sup> The pre-receivership, anticipated buyer of the Mentone Property advanced  
27 \$150,000 to the Entities, secured by deed of trust. As reflected in the Receiver's  
28 Forensic Accounting and Amended Forensic Accounting Reports, these funds  
were not expended in the manner promised. After the abandonment of the  
contract with the pre-receivership buyer, the Receiver has satisfied the deed of  
trust, eliminating what appears to be the only substantial cloud on title in  
connection with the Mentone Property.

1 negotiations with all prospective purchasers, and hopes to have a sale agreement to  
2 propose for Court approval soon.

3           5.     The Vanderbilt Property.

4           The Vanderbilt Property is the principal place of business of Relief Defendant  
5 Yanrob and the location of Defendant Yang's medical practice. As reflected in the  
6 Receiver's Forensic Accounting Report (appended hereto, and addressed in greater  
7 detail, below), Yanrob received more than \$1,000,000 in funds raised from  
8 Receivership Entity investors, some of which the Receiver understands was used to  
9 make tenant improvements at the Vanderbilt Property.

10           As reflected in the Receiver's prior submissions to the Court, the Receiver  
11 ultimately determined that the value of the Vanderbilt Property was roughly equal to  
12 that of an outstanding debt owed to GBC Bank and secured by the property. As a  
13 consequence, the Receiver entered into negotiations with Yanrob, GBC Bank, and  
14 others to allow for Yanrob to sell the Vanderbilt Property, resulting in the release of  
15 \$400,000 in cash Assets to the Receiver, while preserving the Receiver's claim for  
16 repayment of more than \$1 million against Yanrob. (See Dkt. Nos. 136, 137.)

17           6.     Preventing Recordation of Improper Liens.

18           As previously noted, a number of the Projects are, and are expected to be, the  
19 subjects of trade creditor claims, including from contractors and other vendors who  
20 may have provided services in connection with the Projects. The Appointment  
21 Order bars trade creditors from creating or enforcing liens against Receivership  
22 Assets and the Receiver has diligently monitored each of the Projects in order to  
23 guard against the improper recordation of liens. As of the date of this Report, the  
24 Receiver has successfully caused mechanics' liens recorded against the Hesperia and  
25 Fontana Projects after the Appointment Order was entered to be released and  
26 continues to monitor title on each of the relevant real properties to ensure that no  
27 improper liens are recorded.

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1           **C.     Receivership Entity Tax Returns.**

2           The Receiver recently discovered that none of the Receivership Entities filed  
3 tax returns in the pre-receivership period. After discussing the issue with his tax  
4 consultant and analyzing the feasibility of submitting so-called information returns  
5 for this period, the Receiver has concluded that there is insufficient information  
6 available to prepare accurate returns for the pre-receivership period. Accordingly,  
7 the Receiver will prepare and submit appropriate tax returns for the post-  
8 receivership period, which he believes will cost approximately \$7,500 to prepare  
9 (and which expenditure is necessary and appropriate in order for the Receiver to  
10 satisfy his tax filing obligations), but will seek an order from this Court under  
11 separate cover relieving him of any obligation to prepare and submit pre-  
12 receivership tax returns.

13           **D.     Claims Process.**

14           The Receiver developed a proposed claims process, and filed a motion to  
15 approve his proposed claims process on November 29, 2016. The Court granted this  
16 motion on December 22, 2016, in its entirety. By way of summary, the process, as  
17 detailed more specifically in his motion, contemplates investors and creditors of the  
18 Receivership Entities submitting claims for all losses suffered through their  
19 investments in or contributions to the Receivership Entities, along with any  
20 materials supporting the claim, after which the Receiver will process claims and  
21 make recommendations to the Court regarding the allowance or disallowance of  
22 claims. On or around January 13, 2017, and in accordance with the Court-approved  
23 process, the Receiver will publish notice of the claims process and establish a claims  
24 bar date, at which time the claims process will begin in earnest.

25           **E.     Litigation Monitoring And Participation.**

26           As reflected in the Receiver's Initial Report, there are presently at least five  
27 (5) actions pending in the San Bernardino Superior Court that directly implicate the  
28 Receivership Entities (including actions where the Entities are parties) or

1 Receivership Assets. Each of these actions is stayed as to the Receivership Entities  
2 in accordance with Section V(J) of the Appointment Order. The Receiver has filed  
3 and served Notices of Pending Receivership in each of these matters, in order to  
4 advise presiding courts of the stay, and continues to monitor each of these matters  
5 and participate in status and other conferences in order to ensure that the stay  
6 required by the Appointment Order remains in place. The Receiver has also filed  
7 brief status reports when requested by the various courts.

8 **F. Communications With Investors.**

9 As the Court may recall, investment in the Receivership Entities was solicited  
10 in connection with the United States Citizenship and Immigration Services  
11 ("USCIS") EB-5 investment program, which provides a means for foreign nationals  
12 and their families to secure U.S. residency if they invest a qualifying amount (in this  
13 case \$500,000) in a U.S.-based investment that generates a specific number of local  
14 jobs.

15 The Receiver and his counsel continue to receive inquiries from investors and  
16 their authorized agents, ranging from general inquiries about the status of the  
17 receivership, to notifications of denials of immigration applications by USCIS, to  
18 requests for refunds of investments. In accordance with the Order in Aid of  
19 Receivership, the Receiver has provided investors, via his website, with a simplified  
20 Mandarin summary of the receivership, instructions for how to register on the  
21 Receiver's website, and other relevant updates.

22 As reflected in prior submissions, the Receiver's analysis, including in  
23 connection with his Forensic Accounting Report and Amended Forensic Accounting  
24 Report, suggests that none of the investments made by foreign investors in the  
25 Receivership Entities qualified for the EB-5 program and, accordingly, that all  
26 investors may ultimately receive denials from USCIS. The reasons for this are  
27 twofold:

28



1 First, USCIS requires that an investor's entire \$500,000 be released for  
2 investment. Here, and as alleged by the Commission, and largely confirmed in the  
3 Forensic Accounting Report, the Entities' subscription agent, Mason, or its China-  
4 based affiliate received, substantial transfers paid directly from investor balances,  
5 meaning no single investor's actual investment ever reached the \$500,000 threshold.

6 Second, and as reflected in a handful of the USCIS denial letters provided to  
7 the Receiver by investors, USCIS further requires that an investor's investment  
8 actually be "at risk"; that is, at risk of substantial or complete depletion. Here,  
9 USCIS has taken the position that at least some of the offering documents associated  
10 with the Receivership Entities contain language that purports to protect investments  
11 from risk, including rights of redemption and refund options. While the Receiver  
12 cannot confirm the legal conclusion reached by USCIS, it is his understanding that  
13 USCIS may deny investor immigration applications on the basis that, contractually,  
14 their investments were not sufficiently "at risk."

15 **IV. ADDITIONAL ADMINISTRATIVE CONSIDERATIONS.**

16 As reflected in prior submissions, the Receiver has encountered a number of  
17 complications in connection with the Entities' real property and cash Assets.

18 Among other things:

- 19 • Real property Assets described by the individual Defendants at the  
20 outset of the receivership as "owned free and clear," or otherwise  
21 unencumbered, proved to be the subject of security interests or other  
22 recorded obligations, limiting – and sometimes eliminating – the  
23 Receiver's disposition options. The Receiver has been successful in  
24 abandoning underwater properties in order to focus on the sale of more  
25 lucrative projects;
- 26 • Deposit accounts holding Receivership Assets and identified by the  
27 individual Defendants as available for immediate recovery by the  
28 Receiver were challenged as "assigned" or "collateral" by the banks

1 with whom the funds were deposited, and not all such funds have been  
 2 unconditionally turned over or released to the Receiver; and  
 3 • Despite months of effort by the Receiver<sup>12</sup>, the individual Defendants  
 4 have consistently failed to agree to a waiver of 28 U.S.C. § 2001, *et*  
 5 *seq.* in connection with the Receiver's anticipated sales of the Lynwood  
 6 Project and Mentone Property, potentially increasing the cost of and  
 7 delaying the disposition of Assets which the Receiver believes could  
 8 result in millions of dollars in recoveries for the Estate.

9 Accordingly, and as reflected above, the Receiver's Asset disposition plan  
 10 going forward is to sell, at the best price possible and in accordance with all Court-  
 11 imposed and statutory requirements, any remaining Assets that will result in a net  
 12 recovery for the benefit of the Estate and its creditors. To that end, the Receiver will  
 13 seek Court approval of sales of those Assets he reasonably believes will yield a net  
 14 benefit to the Estate. In the near term, the Receiver anticipates filing motions for  
 15 approval of proposed sales of the Lynwood Project and the Mentone Property.

16 **V. CONCLUSION AND PETITION FOR FURTHER INSTRUCTIONS.**

17 Based on the information presented above, the Receiver respectfully requests  
 18 that this Court enter an Order:

- 19 1. Accepting the instant Report, including the recommendations and  
 20 conclusions presented therein;
- 21 2. Authorizing the Receiver to continue to administer the Receivership  
 22 Entities and their estate in accordance with the terms of the Appointment Order and  
 23

---

24 <sup>12</sup> The Receiver's efforts have included providing Defendants Yang and Kano with  
 25 a summary of offers received for, at least, the Lynwood Project, along with a  
 26 detailed description of his marketing efforts and the steps taken by his real  
 27 property broker to ensure that appropriate prospective purchasers in the skilled  
 28 nursing / sub-acute care space were targeted, resulting in market price offers. In  
 addition, the Receiver has repeatedly had to reassure the Defendants that, their  
 baseless contentions to the contrary notwithstanding, neither the Receiver, in his  
 personal capacity, nor any members of his family stand to realize any financial  
 gains from the sale of any Receivership Assets.

1 the Receiver's recommendations in the Initial Report, First Status Report, Second  
2 Status Report, and the instant Report;

3 4. Authorizing the Receiver to undertake the recommended courses of  
4 action addressed herein, including with respect to his settlement negotiations with  
5 the MWD and preparing and filing those tax returns he deems appropriate and  
6 feasible; and

7 5. Providing such other and further relief as the Court deems necessary  
8 and appropriate.

9

10 Dated: January 9, 2017

ALLEN MATKINS LECK GAMBLE  
MALLORY & NATSIS LLP  
DAVID R. ZARO  
JOSHUA A. DEL CASTILLO  
MELISSA K. ZONNE

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13

By:           /s/          Joshua A. del Castillo

14

JOSHUA A. DEL CASTILLO  
Attorneys for Receiver  
STEPHEN J. DONELL

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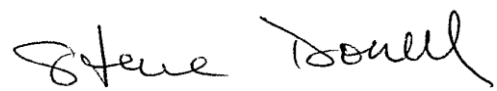
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**VERIFICATION**

I have read the foregoing THIRD QUARTERLY STATUS REPORT AND PETITION FOR INSTRUCTIONS OF RECEIVER, STEPHEN J. DONELL, and know its contents.

I am the Receiver appointed in the above-entitled action. I believe the matters stated in the foregoing document are true, to the best of my current knowledge.

Executed on January 9, 2017, at Los Angeles, California.

  
Stephen J. Donell, Receiver

# **EXHIBIT 1**



**Receiver's Monthly Interim Report  
Suncor - Master Interim Report**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC  
**Cumulative Period:** December 11, 2015 - July 31, 2016

Description	Prior Period 12/11/15-6/30/16	Current Period 7/1/16-7/31/16	Cumulative 12/11/15-7/31/16
<b>CASH RECEIPTS:</b>			
Suncor General Account	28,968.20	-	28,968.20
Suncor Fontana	2,225,224.24	70.69	2,225,294.93
Suncor Hesperia	1,425,936.91	133.95	1,426,070.86
Suncor Lynwood	811,991.53	9.93	812,001.46
Suncor Yanrob's Medical, Inc.	172,264.52	-	172,264.52
Total receipts	<u>4,664,385.40</u>	<u>214.57</u>	<u>4,664,599.97</u>
<b>CASH DISBURSEMENTS:</b>			
Suncor General Account	\$ 13,200.33	12,705.00	25,905.33
Suncor Fontana	190,562.94	24,156.09	214,719.03
Suncor Hesperia	13,250.18	20.00	13,270.18
Suncor Lynwood	289,721.46	28,530.15	318,251.61
Suncor Yanrob's Medical, Inc.	26,309.28	(1,699.00)	24,610.28
Total disbursements	<u>533,044.19</u>	<u>63,712.24</u>	<u>596,756.43</u>
(Decrease)/Increase in Cash	4,131,341.21	(63,497.67)	4,067,843.54
Cash-Beginning of period	-	4,131,341.21	-
Cash-End of period	<u>4,131,341.21</u>	<u>4,067,843.54</u>	<u>4,067,843.54</u>



**Receiver's Monthly Interim Report  
Suncor - General Account**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC  
**Cumulative Period:** December 11, 2015 - July 31, 2016

Description	Prior Period 12/11/15-6/30/16	Current Period 7/1/16-7/31/16	Cumulative 12/11/15-7/31/16
<b>CASH RECEIPTS:</b>			
Funds Turned Over by Bank of America - Yanrob's PR Acct	7,816.18		7,816.18
Funds Turned Over by Park Place Escrow - Mentone	1,152.02		1,152.02
Funds from Estate of Lynwood	20,000.00	-	20,000.00
Interest Income	-		-
Total receipts	<u>28,968.20</u>	<u>-</u>	<u>28,968.20</u>
<b>CASH DISBURSEMENTS:</b>			
Accounting Fees	\$ -		-
Bank Charges	100.00	20.00	120.00
Legal Fees	-		-
Legal Court Filing Fees	721.92		721.92
Delivery/Messenger/Postage Costs	139.81		139.81
Bonds	-		-
Insurance - Mentone	841.00		841.00
Professional Fees	11,397.60	1,830.00	13,227.60
Construction Permits	-		-
Equipment Rental	-		-
Repair/Maintenance for Mentone Property	-	10,855.00	10,855.00
Receiver Fees	-		-
Receiver Costs	-		-
Total disbursements	<u>13,200.33</u>	<u>12,705.00</u>	<u>25,905.33</u>
(Decrease)/Increase in Cash	15,767.87	(12,705.00)	3,062.87
Cash-Beginning of period	-	15,767.87	-
Cash-End of period	<u>15,767.87</u>	<u>3,062.87</u>	<u>3,062.87</u>



**Receiver's Monthly Interim Report  
Estate of Suncor Fontana**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC  
**Cumulative Period:** December 11, 2015 - July 31, 2016

Description	Prior Period 12/11/15-6/30/16	Current Period 7/1/16-7/31/16	Cumulative 12/11/15-7/31/16
<b>CASH RECEIPTS:</b>			
Funds Turned Over by Defendant	\$ -		-
Funds Turned Over by Bank of America	400.55		400.55
Funds Turned Over by Citizens Business Bank	568.69		568.69
Funds from Milligan Beswick Levine Knox	7,255.00	-	7,255.00
Funds from Suncor Lynwood	217,000.00	-	217,000.00
Funds from Escrow re Celtic Bank Dispute	2,000,000.00	-	2,000,000.00
Interest Income	-	70.69	70.69
Total receipts	<u>2,225,224.24</u>	<u>70.69</u>	<u>2,225,294.93</u>
<b>CASH DISBURSEMENTS:</b>			
Accounting Fees	\$ -		-
Bank Charges	100.00	20.00	120.00
Postage/Delivery Costs	23.31		23.31
Legal Fees	-		-
Bonds	-		-
Insurance	4,736.41		4,736.41
Professional Fees	2,010.31		2,010.31
Construction Labor/Supplies/Sub-Contracts	159,450.42		159,450.42
Equipment Rental	6,373.52		6,373.52
General Maintenance/Repairs	488.00	-	488.00
Security Service	15,820.00	23,996.57	39,816.57
Receiver Fees	-		-
Receiver Costs	-		-
Utilities	1,560.97	139.52	1,700.49
Total disbursements	<u>190,562.94</u>	<u>24,156.09</u>	<u>214,719.03</u>
(Decrease)/Increase in Cash	2,034,661.30	(24,085.40)	2,010,575.90
Cash-Beginning of period	-	2,034,661.30	-
Cash-End of period	<u>2,034,661.30</u>	<u>2,010,575.90</u>	<u>2,010,575.90</u>





**Receiver's Monthly Interim Report  
Estate of Suncor Hesperia**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC  
**Cumulative Period:** December 11, 2015 - July 31, 2016

Description	Prior Period 12/11/15-6/30/16	Current Period 7/1/16-7/31/16	Cumulative 12/11/15-7/31/16
<b>CASH RECEIPTS:</b>			
Funds Turned Over by Defendant	\$ -		-
Funds Turned Over by Citizens Business Bank	7,910.06		7,910.06
Funds Turned Over by Orange Community Escro	1,416,030.00		1,416,030.00
Misc Funds Turned Over	1,448.35		1,448.35
Interest Income	548.50	133.95	682.45
Total receipts	<u>1,425,936.91</u>	<u>133.95</u>	<u>1,426,070.86</u>
<b>CASH DISBURSEMENTS:</b>			
Accounting Fees	\$ -		-
Bank Charges	120.00	20.00	140.00
Legal Fees	-		-
Bonds	-		-
Insurance	891.00		891.00
Professional Fees	1,571.00	-	1,571.00
Construction Permits	-		-
Construction Labor/Supplies/Sub-Contracts	7,178.88	-	7,178.88
Equipment Rental	2,960.06		2,960.06
Receiver Fees	-		-
Receiver Costs	-		-
Utilities	529.24		529.24
Total disbursements	<u>13,250.18</u>	<u>20.00</u>	<u>13,270.18</u>
(Decrease)/Increase in Cash	<u>1,412,686.73</u>	<u>113.95</u>	<u>1,412,800.68</u>
Cash-Beginning of period	-	1,412,686.73	-
Cash-End of period	<u>1,412,686.73</u>	<u>1,412,800.68</u>	<u>1,412,800.68</u>



**Receiver's Monthly Interim Report  
Estate of Suncor Lynwood**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC  
**Cumulative Period:** December 11, 2015 - July 31, 2016

Description	Prior Period 12/11/15-6/30/16	Current Period 7/1/16-7/31/16	Cumulative 12/11/15-7/31/16
<b>CASH RECEIPTS:</b>			
Funds Turned Over by Defendant	\$ -		-
Funds Turned Over by Bank of America	40,177.93		40,177.93
Funds Turned Over by Park Place Escrow	750,210.00		750,210.00
Funds Turned Over by Dr. Deng re CNB Acct	21,550.16		21,550.16
Misc Funds Turned Over	-		-
Interest Income	53.44	9.93	63.37
Total receipts	<u>811,991.53</u>	<u>9.93</u>	<u>812,001.46</u>
<b>CASH DISBURSEMENTS:</b>			
Accounting Fees	\$ -		-
Bank Charges	113.00	20.00	133.00
Funds to Suncor Fontana	217,000.00	-	217,000.00
Funds to Genearl Acct	20,000.00		20,000.00
Legal Fees	-		-
Bonds	-		-
Security Services	-	28,468.04	28,468.04
Insurance	7,683.54		7,683.54
Professional Fees	21.00		21.00
Construction Permits	-		-
Equipment Rental	3,065.40	-	3,065.40
General Maintenance/Repairs/Supplies	362.57	-	362.57
Receiver Fees	-		-
Receiver Costs	-		-
Property Tax	40,030.16		40,030.16
Utilities	1,445.79	42.11	1,487.90
Total disbursements	<u>289,721.46</u>	<u>28,530.15</u>	<u>318,251.61</u>
(Decrease)/Increase in Cash	<u>522,270.07</u>	<u>(28,520.22)</u>	<u>493,749.85</u>
Cash-Beginning of period	-	522,270.07	-
Cash-End of period	<u>522,270.07</u>	<u>493,749.85</u>	<u>493,749.85</u>



**Receiver's Monthly Interim Report  
Estate of Suncor, Yanrob's Medical, Inc.**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC  
**Cumulative Period:** December 11, 2015 - July 31, 2016

Description	Prior Period 12/11/15-6/30/16	Current Period 7/1/16-7/31/16	Cumulative 12/11/15-7/31/16
<b>CASH RECEIPTS:</b>			
Funds Turned Over by Defendant	40,977.11		40,977.11
Funds Deposited into Pacific Premier Bank by Defendant	20,120.61		20,120.61
Funds from Noridian	110,965.02	-	110,965.02
Misc Funds Turned Over	201.78	-	201.78
Interest Income	-		-
Total receipts	<u>172,264.52</u>	<u>-</u>	<u>172,264.52</u>
<b>CASH DISBURSEMENTS:</b>			
Accounting Fees	\$ -		-
Bank Charges	37.00		37.00
Legal Fees	-		-
Payroll Expenses/Taxes	6,269.36		6,269.36
Postage/Delivery Costs	85.85		85.85
Malpractice Insurance	-		-
Professional Fees	3,500.00		3,500.00
Office Telephone	2,996.47		2,996.47
Association Dues	13,420.60	(1,699.00)	11,721.60
Fire & Liability	-		-
Receiver Fees	-		-
Receiver Costs	-		-
Total disbursements	<u>26,309.28</u>	<u>(1,699.00)</u>	<u>24,610.28</u>
(Decrease)/Increase in Cash	<u>145,955.24</u>	<u>1,699.00</u>	<u>147,654.24</u>
Cash-Beginning of period	-	145,955.24	-
Cash-End of period	<u><u>145,955.24</u></u>	<u><u>147,654.24</u></u>	<u><u>147,654.24</u></u>



**Receiver's Monthly Interim Report  
Suncor - Master Interim Report**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC  
**Cumulative Period:** December 11, 2015 - August 31, 2016

Description	Prior Period 12/11/15-7/31/16	Current Period 8/1/16-8/31/16	Cumulative 12/11/15-8/31/16
<b>CASH RECEIPTS:</b>			
Suncor General Account	28,968.20	-	28,968.20
Suncor Fontana	2,225,294.93	5,286.64	2,230,581.57
Suncor Hesperia	1,426,070.86	146.31	1,426,217.17
Suncor Lynwood	812,001.46	11.30	812,012.76
Suncor Yanrob's Medical, Inc.	172,264.52	22.51	172,287.03
Total receipts	<u>4,664,599.97</u>	<u>5,466.76</u>	<u>4,670,066.73</u>
<b>CASH DISBURSEMENTS:</b>			
Suncor General Account	\$ 25,905.33	580.00	26,485.33
Suncor Fontana	214,719.03	13,312.28	228,031.31
Suncor Hesperia	13,270.18	20.00	13,290.18
Suncor Lynwood	318,251.61	17,581.37	335,832.98
Suncor Yanrob's Medical, Inc.	24,610.28	-	24,610.28
Total disbursements	<u>596,756.43</u>	<u>31,493.65</u>	<u>628,250.08</u>
(Decrease)/Increase in Cash	4,067,843.54	(26,026.89)	4,041,816.65
Cash-Beginning of period	-	4,067,843.54	-
Cash-End of period	<u><u>4,067,843.54</u></u>	<u><u>4,041,816.65</u></u>	<u><u>4,041,816.65</u></u>



**Receiver's Monthly Interim Report  
Suncor - General Account**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC  
**Cumulative Period:** December 11, 2015 - August 31, 2016

Description	Prior Period 12/11/15-7/31/16	Current Period 8/1/16-8/31/16	Cumulative 12/11/15-8/31/16
<b>CASH RECEIPTS:</b>			
Funds Turned Over by Bank of America - Yanrob's PR Acct	7,816.18		7,816.18
Funds Turned Over by Park Place Escrow - Mentone	1,152.02		1,152.02
Funds from Estate of Lynwood	20,000.00	-	20,000.00
Interest Income	-		-
Total receipts	28,968.20	-	28,968.20
<b>CASH DISBURSEMENTS:</b>			
Accounting Fees	\$ -		-
Bank Charges	120.00	20.00	140.00
Legal Fees	-		-
Legal Court Filing Fees	721.92		721.92
Delivery/Messenger/Postage Costs	139.81		139.81
Bonds	-		-
Insurance - Mentone	841.00		841.00
Professional Fees	13,227.60	560.00	13,787.60
Construction Permits	-		-
Equipment Rental	-		-
Repair/Maintenance for Mentone Property	10,855.00		10,855.00
Receiver Fees	-		-
Receiver Costs	-		-
Total disbursements	25,905.33	580.00	26,485.33
(Decrease)/Increase in Cash	3,062.87	(580.00)	2,482.87
Cash-Beginning of period	-	3,062.87	-
Cash-End of period	3,062.87	2,482.87	2,482.87



**Receiver's Monthly Interim Report  
Estate of Suncor Fontana**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC  
**Cumulative Period:** December 11, 2015 - August 31, 2016

Description	Prior Period 12/11/15-7/31/16	Current Period 8/1/16-8/31/16	Cumulative 12/11/15-8/31/16
<b>CASH RECEIPTS:</b>			
Funds Turned Over by Defendant	\$ -		-
Funds Turned Over by Bank of America	400.55		400.55
Funds Turned Over by Citizens Business Bank	568.69		568.69
Funds from Milligan Beswick Levine Knox	7,255.00	-	7,255.00
Funds from Suncor Lynwood	217,000.00	5,000.00	222,000.00
Funds from Escrow re Celtic Bank Dispute	2,000,000.00	-	2,000,000.00
Interest Income	70.69	286.64	357.33
Total receipts	<u>2,225,294.93</u>	<u>5,286.64</u>	<u>2,230,581.57</u>
<b>CASH DISBURSEMENTS:</b>			
Accounting Fees	\$ -		-
Bank Charges	120.00	20.00	140.00
Postage/Delivery Costs	23.31		23.31
Legal Fees	-		-
Bonds	-		-
Insurance	4,736.41		4,736.41
Professional Fees	2,010.31		2,010.31
Construction Labor/Supplies/Sub-Contracts	159,450.42		159,450.42
Equipment Rental	6,373.52		6,373.52
General Maintenance/Repairs	488.00	282.00	770.00
Security Service	39,816.57	12,934.44	52,751.01
Receiver Fees	-		-
Receiver Costs	-		-
Utilities	1,700.49	75.84	1,776.33
Total disbursements	<u>214,719.03</u>	<u>13,312.28</u>	<u>228,031.31</u>
(Decrease)/Increase in Cash	2,010,575.90	(8,025.64)	2,002,550.26
Cash-Beginning of period	-	2,010,575.90	-
Cash-End of period	<u>2,010,575.90</u>	<u>2,002,550.26</u>	<u>2,002,550.26</u>



**Receiver's Monthly Interim Report  
Estate of Suncor Hesperia**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC  
**Cumulative Period:** December 11, 2015 - August 31, 2016

Description	Prior Period 12/11/15-7/31/16	Current Period 8/1/16-8/31/16	Cumulative 12/11/15-8/31/16
<b>CASH RECEIPTS:</b>			
Funds Turned Over by Defendant	\$ -		-
Funds Turned Over by Citizens Business Bank	7,910.06		7,910.06
Funds Turned Over by Orange Community Escro	1,416,030.00		1,416,030.00
Misc Funds Turned Over	1,448.35		1,448.35
Interest Income	682.45	146.31	828.76
Total receipts	<u>1,426,070.86</u>	<u>146.31</u>	<u>1,426,217.17</u>
<b>CASH DISBURSEMENTS:</b>			
Accounting Fees	\$ -		-
Bank Charges	140.00	20.00	160.00
Legal Fees	-		-
Bonds	-		-
Insurance	891.00		891.00
Professional Fees	1,571.00	-	1,571.00
Construction Permits	-		-
Construction Labor/Supplies/Sub-Contracts	7,178.88	-	7,178.88
Equipment Rental	2,960.06		2,960.06
Receiver Fees	-		-
Receiver Costs	-		-
Utilities	529.24		529.24
Total disbursements	<u>13,270.18</u>	<u>20.00</u>	<u>13,290.18</u>
(Decrease)/Increase in Cash	1,412,800.68	126.31	1,412,926.99
Cash-Beginning of period	-	1,412,800.68	-
Cash-End of period	<u>1,412,800.68</u>	<u>1,412,926.99</u>	<u>1,412,926.99</u>



**Receiver's Monthly Interim Report  
Estate of Suncor Lynwood**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC  
**Cumulative Period:** December 11, 2015 - August 31, 2016

Description	Prior Period 12/11/15-7/31/16	Current Period 8/1/16-8/31/16	Cumulative 12/11/15-8/31/16
<b>CASH RECEIPTS:</b>			
Funds Turned Over by Defendant	\$ -		-
Funds Turned Over by Bank of America	40,177.93		40,177.93
Funds Turned Over by Park Place Escrow	750,210.00		750,210.00
Funds Turned Over by Dr. Deng re CNB Acct	21,550.16		21,550.16
Misc Funds Turned Over	-		-
Interest Income	63.37	11.30	74.67
Total receipts	<u>812,001.46</u>	<u>11.30</u>	<u>812,012.76</u>
<b>CASH DISBURSEMENTS:</b>			
Accounting Fees	\$ -		-
Bank Charges	133.00	20.00	153.00
Funds to Suncor Fontana	217,000.00	5,000.00	222,000.00
Funds to Genearl Acct	20,000.00		20,000.00
Legal Fees	-		-
Bonds	-		-
Security Services	28,468.04	12,156.96	40,625.00
Insurance	7,683.54		7,683.54
Professional Fees	21.00		21.00
Construction Permits	-		-
Equipment Rental	3,065.40	-	3,065.40
General Maintenance/Repairs/Supplies	362.57	363.23	725.80
Receiver Fees	-		-
Receiver Costs	-		-
Property Tax	40,030.16		40,030.16
Utilities	1,487.90	41.18	1,529.08
Total disbursements	<u>318,251.61</u>	<u>17,581.37</u>	<u>335,832.98</u>
(Decrease)/Increase in Cash	<u>493,749.85</u>	<u>(17,570.07)</u>	<u>476,179.78</u>
Cash-Beginning of period	-	493,749.85	-
Cash-End of period	<u>493,749.85</u>	<u>476,179.78</u>	<u>476,179.78</u>





**Receiver's Monthly Interim Report  
Estate of Suncor, Yanrob's Medical, Inc.**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC  
**Cumulative Period:** December 11, 2015 - August 31, 2016

Description	Prior Period 12/11/15-7/31/16	Current Period 8/1/16-8/31/16	Cumulative 12/11/15-8/31/16
<b>CASH RECEIPTS:</b>			
Funds Turned Over by Defendant	40,977.11		40,977.11
Funds Deposited into Pacific Premier Bank by Defendant	20,120.61		20,120.61
Funds from Noridian	110,965.02	-	110,965.02
Misc Funds Turned Over	201.78	22.51	224.29
Interest Income	-		-
Total receipts	<u>172,264.52</u>	<u>22.51</u>	<u>172,287.03</u>
<b>CASH DISBURSEMENTS:</b>			
Accounting Fees	\$ -		-
Bank Charges	37.00		37.00
Legal Fees	-		-
Payroll Expenses/Taxes	6,269.36		6,269.36
Postage/Delivery Costs	85.85		85.85
Malpractice Insurance	-		-
Professional Fees	3,500.00		3,500.00
Office Telephone	2,996.47		2,996.47
Association Dues	11,721.60	-	11,721.60
Fire & Liability	-		-
Receiver Fees	-		-
Receiver Costs	-		-
Total disbursements	<u>24,610.28</u>	<u>-</u>	<u>24,610.28</u>
(Decrease)/Increase in Cash	<u>147,654.24</u>	22.51	147,676.75
Cash-Beginning of period	-	147,654.24	-
Cash-End of period	<u><u>147,654.24</u></u>	<u><u>147,676.75</u></u>	<u><u>147,676.75</u></u>



**Receiver's Monthly Interim Report  
Suncor - Master Interim Report**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC  
**Cumulative Period:** December 11, 2015 - September 30, 2016

Description	Prior Period 12/11/15-8/31/16	Current Period 9/1/16-9/30/16	Cumulative 12/11/15-9/30/16
<b>CASH RECEIPTS:</b>			
Suncor General Account	28,968.20	1,947.00	30,915.20
Suncor Fontana	2,230,581.57	286.64	2,230,868.21
Suncor Hesperia	1,426,217.17	135.66	1,426,352.83
Suncor Lynwood	812,012.76	8.08	812,020.84
Suncor Yanrob's Medical, Inc.	172,287.03	1,028.35	173,315.38
Total receipts	<u>4,670,066.73</u>	<u>3,405.73</u>	<u>4,673,472.46</u>
<b>CASH DISBURSEMENTS:</b>			
Suncor General Account	\$ 26,485.33	665.00	27,150.33
Suncor Fontana	228,031.31	20.00	228,051.31
Suncor Hesperia	13,290.18	150,020.00	163,310.18
Suncor Lynwood	335,832.98	13,666.48	349,499.46
Suncor Yanrob's Medical, Inc.	24,610.28	-	24,610.28
Total disbursements	<u>628,250.08</u>	<u>164,371.48</u>	<u>792,621.56</u>
(Decrease)/Increase in Cash	4,041,816.65	(160,965.75)	3,880,850.90
Cash-Beginning of period	-	4,041,816.65	-
Cash-End of period	<u>4,041,816.65</u>	<u>3,880,850.90</u>	<u>3,880,850.90</u>



**Receiver's Monthly Interim Report  
Suncor - General Account**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC  
**Cumulative Period:** December 11, 2015 - September 30, 2016

Description	Prior Period 12/11/15-8/31/16	Current Period 9/1/16-9/30/16	Cumulative 12/11/15-9/30/16
<b>CASH RECEIPTS:</b>			
Funds Turned Over by Bank of America - Yanrob's PR Acct	7,816.18		7,816.18
Funds Turned Over by Park Place Escrow - Mentone	1,152.02	1,947.00	3,099.02
Funds from Estate of Lynwood	20,000.00	-	20,000.00
Interest Income	-		-
Total receipts	<u>28,968.20</u>	<u>1,947.00</u>	<u>30,915.20</u>
<b>CASH DISBURSEMENTS:</b>			
Accounting Fees	\$ -		-
Bank Charges	140.00	20.00	160.00
Legal Fees	-		-
Legal Court Filing Fees	721.92		721.92
Delivery/Messenger/Postage Costs	139.81		139.81
Bonds	-		-
Insurance - Mentone	841.00		841.00
Professional Fees	13,787.60	645.00	14,432.60
Construction Permits	-		-
Equipment Rental	-		-
Repair/Maintenance for Mentone Property	10,855.00		10,855.00
Receiver Fees	-		-
Receiver Costs	-		-
Total disbursements	<u>26,485.33</u>	<u>665.00</u>	<u>27,150.33</u>
(Decrease)/Increase in Cash	2,482.87	1,282.00	3,764.87
Cash-Beginning of period	-	2,482.87	-
Cash-End of period	<u>2,482.87</u>	<u>3,764.87</u>	<u>3,764.87</u>



**Receiver's Monthly Interim Report  
Estate of Suncor Fontana**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC  
**Cumulative Period:** December 11, 2015 - September 30, 2016

Description	Prior Period 12/11/15-8/31/16	Current Period 9/1/16-9/30/16	Cumulative 12/11/15-9/30/16
<b>CASH RECEIPTS:</b>			
Funds Turned Over by Defendant	\$ -		-
Funds Turned Over by Bank of America	400.55		400.55
Funds Turned Over by Citizens Business Bank	568.69		568.69
Funds from Milligan Beswick Levine Knox	7,255.00		7,255.00
Funds from Suncor Lynwood	222,000.00		222,000.00
Funds from Escrow re Celtic Bank Dispute	2,000,000.00		2,000,000.00
Interest Income	357.33	286.64	643.97
Total receipts	<u>2,230,581.57</u>	<u>286.64</u>	<u>2,230,868.21</u>
<b>CASH DISBURSEMENTS:</b>			
Accounting Fees	\$ -		-
Bank Charges	140.00	20.00	160.00
Postage/Delivery Costs	23.31		23.31
Legal Fees	-		-
Bonds	-		-
Insurance	4,736.41		4,736.41
Professional Fees	2,010.31		2,010.31
Construction Labor/Supplies/Sub-Contracts	159,450.42		159,450.42
Equipment Rental	6,373.52		6,373.52
General Maintenance/Repairs	770.00		770.00
Security Service	52,751.01		52,751.01
Receiver Fees	-		-
Receiver Costs	-		-
Utilities	1,776.33		1,776.33
Total disbursements	<u>228,031.31</u>	<u>20.00</u>	<u>228,051.31</u>
(Decrease)/Increase in Cash	2,002,550.26	266.64	2,002,816.90
Cash-Beginning of period	-	2,002,550.26	-
Cash-End of period	<u>2,002,550.26</u>	<u>2,002,816.90</u>	<u>2,002,816.90</u>



**Receiver's Monthly Interim Report  
Estate of Suncor Hesperia**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC  
**Cumulative Period:** December 11, 2015 - September 30, 2016

Description	Prior Period 12/11/15-8/31/16	Current Period 9/1/16-9/30/16	Cumulative 12/11/15-9/30/16
<b>CASH RECEIPTS:</b>			
Funds Turned Over by Defendant	\$ -		-
Funds Turned Over by Citizens Business Bank	7,910.06		7,910.06
Funds Turned Over by Orange Community Escro	1,416,030.00		1,416,030.00
Misc Funds Turned Over	1,448.35		1,448.35
Interest Income	828.76	135.66	964.42
Total receipts	<u>1,426,217.17</u>	<u>135.66</u>	<u>1,426,352.83</u>
<b>CASH DISBURSEMENTS:</b>			
Accounting Fees	\$ -		-
Bank Charges	160.00	20.00	180.00
Return of Escrow Deposit for Mentone	-	150,000.00	150,000.00
Legal Fees	-		-
Bonds	-		-
Insurance	891.00		891.00
Professional Fees	1,571.00	-	1,571.00
Construction Permits	-		-
Construction Labor/Supplies/Sub-Contracts	7,178.88	-	7,178.88
Equipment Rental	2,960.06		2,960.06
Receiver Fees	-		-
Receiver Costs	-		-
Utilities	529.24		529.24
Total disbursements	<u>13,290.18</u>	<u>150,020.00</u>	<u>163,310.18</u>
(Decrease)/Increase in Cash	1,412,926.99	(149,884.34)	1,263,042.65
Cash-Beginning of period	-	1,412,926.99	-
Cash-End of period	<u>1,412,926.99</u>	<u>1,263,042.65</u>	<u>1,263,042.65</u>



**Receiver's Monthly Interim Report  
Estate of Suncor Lynwood**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC  
**Cumulative Period:** December 11, 2015 - September 30, 2016

Description	Prior Period 12/11/15-8/31/16	Current Period 9/1/16-9/30/16	Cumulative 12/11/15-9/30/16
<b>CASH RECEIPTS:</b>			
Funds Turned Over by Defendant	\$ -		-
Funds Turned Over by Bank of America	40,177.93		40,177.93
Funds Turned Over by Park Place Escrow	750,210.00		750,210.00
Funds Turned Over by Dr. Deng re CNB Acct	21,550.16		21,550.16
Misc Funds Turned Over	-		-
Interest Income	74.67	8.08	82.75
Total receipts	<u>812,012.76</u>	<u>8.08</u>	<u>812,020.84</u>
<b>CASH DISBURSEMENTS:</b>			
Accounting Fees	\$ -		-
Bank Charges	153.00	20.00	173.00
Funds to Suncor Fontana	222,000.00		222,000.00
Funds to Genearl Acct	20,000.00		20,000.00
Legal Fees	-		-
Bonds	-		-
Security Services	40,625.00	13,358.52	53,983.52
Insurance	7,683.54		7,683.54
Professional Fees	21.00		21.00
Construction Permits	-		-
Equipment Rental	3,065.40		3,065.40
General Maintenance/Repairs/Supplies	725.80	244.00	969.80
Receiver Fees	-		-
Receiver Costs	-		-
Property Tax	40,030.16		40,030.16
Utilities	1,529.08	43.96	1,573.04
Total disbursements	<u>335,832.98</u>	<u>13,666.48</u>	<u>349,499.46</u>
(Decrease)/Increase in Cash	<u>476,179.78</u>	<u>(13,658.40)</u>	<u>462,521.38</u>
Cash-Beginning of period	-	476,179.78	-
Cash-End of period	<u><u>476,179.78</u></u>	<u><u>462,521.38</u></u>	<u><u>462,521.38</u></u>



**Receiver's Monthly Interim Report  
Estate of Suncor, Yanrob's Medical, Inc.**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC  
**Cumulative Period:** December 11, 2015 - September 30, 2016

Description	Prior Period 12/11/15-8/31/16	Current Period 9/1/16-9/30/16	Cumulative 12/11/15-9/30/16
<b>CASH RECEIPTS:</b>			
Funds Turned Over by Defendant	40,977.11		40,977.11
Funds Deposited into Pacific Premier Bank by Defendant	20,120.61		20,120.61
Funds from Noridian	110,965.02	-	110,965.02
Misc Funds Turned Over	224.29	1,028.35	1,252.64
Interest Income	-		-
Total receipts	<u>172,287.03</u>	<u>1,028.35</u>	<u>173,315.38</u>
<b>CASH DISBURSEMENTS:</b>			
Accounting Fees	\$ -		-
Bank Charges	37.00		37.00
Legal Fees	-		-
Payroll Expenses/Taxes	6,269.36		6,269.36
Postage/Delivery Costs	85.85		85.85
Malpractice Insurance	-		-
Professional Fees	3,500.00		3,500.00
Office Telephone	2,996.47		2,996.47
Association Dues	11,721.60	-	11,721.60
Fire & Liability	-		-
Receiver Fees	-		-
Receiver Costs	-		-
Total disbursements	<u>24,610.28</u>	<u>-</u>	<u>24,610.28</u>
(Decrease)/Increase in Cash	<u>147,676.75</u>	1,028.35	148,705.10
Cash-Beginning of period	-	147,676.75	-
Cash-End of period	<u><u>147,676.75</u></u>	<u><u>148,705.10</u></u>	<u><u>148,705.10</u></u>



**Receiver's Monthly Interim Report  
Suncor - Master Interim Report**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC  
**Cumulative Period:** December 11, 2015 - October 31, 2016

Description	Prior Period 12/11/15-9/30/16	Current Period 10/1/16-10/31/16	Cumulative 12/11/15-10/31/16
<b>CASH RECEIPTS:</b>			
Suncor General Account	30,915.20	300.00	31,215.20
Suncor Fontana	2,230,868.21	1,810.18	2,232,678.39
Suncor Hesperia	1,426,352.83	140.20	1,426,493.03
Suncor Lynwood	812,020.84	6.37	812,027.21
Suncor Yanrob's Medical, Inc.	173,315.38	222.90	173,538.28
Total receipts	4,673,472.46	2,479.65	4,675,952.11
<b>CASH DISBURSEMENTS:</b>			
Suncor General Account	\$ 27,150.33	580.00	27,730.33
Suncor Fontana	228,051.31	20.00	228,071.31
Suncor Hesperia	163,310.18	20.00	163,330.18
Suncor Lynwood	349,499.46	12,916.51	362,415.97
Suncor Yanrob's Medical, Inc.	24,610.28	-	24,610.28
Total disbursements	792,621.56	13,536.51	806,158.07
(Decrease)/Increase in Cash	3,880,850.90	(11,056.86)	3,869,794.04
Cash-Beginning of period	-	3,880,850.90	-
Cash-End of period	3,880,850.90	3,869,794.04	3,869,794.04





**Receiver's Monthly Interim Report  
Suncor - Master Interim Report**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC  
**Cumulative Period:** December 11, 2015 - November 30, 2016

Description	Prior Period 12/11/15-10/31/16	Current Period 11/1/16-11/30/16	Cumulative 12/11/15-11/30/16
<b>CASH RECEIPTS:</b>			
Suncor General Account	31,215.20	650,000.00	681,215.20
Suncor Fontana	2,232,678.39	79.32	2,232,757.71
Suncor Hesperia	1,426,493.03	135.71	1,426,628.74
Suncor Lynwood	812,027.21	6.17	812,033.38
Suncor Yanrob's Medical, Inc.	173,538.28	128.88	173,667.16
Total receipts	<u>4,675,952.11</u>	<u>650,350.08</u>	<u>5,326,302.19</u>
<b>CASH DISBURSEMENTS:</b>			
Suncor General Account	\$ 27,730.33	621,420.13	649,150.46
Suncor Fontana	228,071.31	20.00	228,091.31
Suncor Hesperia	163,330.18	100,020.00	263,350.18
Suncor Lynwood	362,415.97	164,166.93	526,582.90
Suncor Yanrob's Medical, Inc.	24,610.28	-	24,610.28
Total disbursements	<u>806,158.07</u>	<u>885,627.06</u>	<u>1,691,785.13</u>
(Decrease)/Increase in Cash	3,869,794.04	(235,276.98)	3,634,517.06
Cash-Beginning of period	-	3,869,794.04	-
Cash-End of period	<u>3,869,794.04</u>	<u>3,634,517.06</u>	<u>3,634,517.06</u>



**Receiver's Monthly Interim Report  
Suncor - General Account**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC  
**Cumulative Period:** December 11, 2015 - November 30, 2016

Description	Prior Period 12/11/15-10/31/16	Current Period 11/1/16-11/30/16	Cumulative 12/11/15-11/30/16
<b>CASH RECEIPTS:</b>			
Funds Turned Over by Bank of America - Yanrob's PR Acct	7,816.18		7,816.18
Funds Turned Over by Park Place Escrow - Mentone	3,099.02	-	3,099.02
Funds from Estate of Lynwood	20,000.00	150,000.00	170,000.00
Funds from Estate of Hesperia		100,000.00	100,000.00
Sale of Vanderbilt Bldg, San Bernardino		400,000.00	400,000.00
Misc Income	300.00	-	300.00
Interest Income	-		-
Total receipts	<u>31,215.20</u>	<u>650,000.00</u>	<u>681,215.20</u>
<b>CASH DISBURSEMENTS:</b>			
Accounting Fees	\$ -		-
Bank Charges	180.00	20.00	200.00
Legal Fees	-	300,011.86	300,011.86
Legal Court Filing Fees	721.92		721.92
Delivery/Messenger/Postage Costs	139.81		139.81
Bonds	-		-
Insurance - Mentone	841.00		841.00
Professional Fees	14,992.60	710.00	15,702.60
Construction Permits	-		-
Equipment Rental	-		-
Repair/Maintenance for Mentone Property	10,855.00		10,855.00
Property Tax		16,796.97	16,796.97
Receiver Fees	-	301,165.12	301,165.12
Receiver Costs	-	2,716.18	2,716.18
Total disbursements	<u>27,730.33</u>	<u>621,420.13</u>	<u>649,150.46</u>
(Decrease)/Increase in Cash	<u>3,484.87</u>	<u>28,579.87</u>	<u>32,064.74</u>
Cash-Beginning of period	-	3,484.87	-
Cash-End of period	<u>3,484.87</u>	<u>32,064.74</u>	<u>32,064.74</u>



**Receiver's Monthly Interim Report  
Estate of Suncor Fontana**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC  
**Cumulative Period:** December 11, 2015 - November 30, 2016

Description	Prior Period 12/11/15-10/31/16	Current Period 11/1/16-11/30/16	Cumulative 12/11/15-11/30/16
<b>CASH RECEIPTS:</b>			
Funds Turned Over by Defendant	\$ -		-
Funds Turned Over by Bank of America	400.55		400.55
Funds Turned Over by Citizens Business Bank	568.69		568.69
Funds from Milligan Beswick Levine Knox	7,255.00		7,255.00
Funds from Suncor Lynwood	222,000.00		222,000.00
Funds from Escrow re Celtic Bank Dispute	2,000,000.00		2,000,000.00
Interest Income	2,454.15	79.32	2,533.47
Total receipts	2,232,678.39	79.32	2,232,757.71
<b>CASH DISBURSEMENTS:</b>			
Accounting Fees	\$ -		-
Bank Charges	180.00	20.00	200.00
Postage/Delivery Costs	23.31		23.31
Legal Fees	-		-
Bonds	-		-
Insurance	4,736.41		4,736.41
Professional Fees	2,010.31		2,010.31
Construction Labor/Supplies/Sub-Contracts	159,450.42		159,450.42
Equipment Rental	6,373.52		6,373.52
General Maintenance/Repairs	770.00		770.00
Security Service	52,751.01		52,751.01
Receiver Fees	-		-
Receiver Costs	-		-
Utilities	1,776.33		1,776.33
Total disbursements	228,071.31	20.00	228,091.31
(Decrease)/Increase in Cash	2,004,607.08	59.32	2,004,666.40
Cash-Beginning of period	-	2,004,607.08	-
Cash-End of period	2,004,607.08	2,004,666.40	2,004,666.40



**Receiver's Monthly Interim Report  
Estate of Suncor Hesperia**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC

**Cumulative Period:** December 11, 2015 - November 30, 2016

Description	Prior Period 12/11/15-10/31/16	Current Period 11/1/16-11/30/16	Cumulative 12/11/15-11/30/16
<b>CASH RECEIPTS:</b>			
Funds Turned Over by Defendant	\$ -		-
Funds Turned Over by Citizens Business Bank	7,910.06		7,910.06
Funds Turned Over by Orange Community Escro	1,416,030.00		1,416,030.00
Misc Funds Turned Over	1,448.35		1,448.35
Interest Income	1,104.62	135.71	1,240.33
Total receipts	<u>1,426,493.03</u>	<u>135.71</u>	<u>1,426,628.74</u>
<b>CASH DISBURSEMENTS:</b>			
Accounting Fees	\$ -		-
Bank Charges	200.00	20.00	220.00
Return of Escrow Deposit for Mentone	150,000.00	-	150,000.00
Funds to Suncor General Account	-	100,000.00	100,000.00
Legal Fees	-		-
Bonds	-		-
Insurance	891.00		891.00
Professional Fees	1,571.00	-	1,571.00
Construction Permits	-		-
Construction Labor/Supplies/Sub-Contracts	7,178.88	-	7,178.88
Equipment Rental	2,960.06		2,960.06
Receiver Fees	-		-
Receiver Costs	-		-
Utilities	529.24		529.24
Total disbursements	<u>163,330.18</u>	<u>100,020.00</u>	<u>263,350.18</u>
(Decrease)/Increase in Cash	<u>1,263,162.85</u>	<u>(99,884.29)</u>	<u>1,163,278.56</u>
Cash-Beginning of period	<u>-</u>	<u>1,263,162.85</u>	<u>-</u>
Cash-End of period	<u><u>1,263,162.85</u></u>	<u><u>1,163,278.56</u></u>	<u><u>1,163,278.56</u></u>



**Receiver's Monthly Interim Report  
Estate of Suncor Lynwood**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC  
**Cumulative Period:** December 11, 2015 - November 30, 2016

Description	Prior Period 12/11/15-10/31/16	Current Period 11/1/16-11/30/16	Cumulative 12/11/15-11/30/16
<b>CASH RECEIPTS:</b>			
Funds Turned Over by Defendant	\$ -		-
Funds Turned Over by Bank of America	40,177.93		40,177.93
Funds Turned Over by Park Place Escrow	750,210.00		750,210.00
Funds Turned Over by Dr. Deng re CNB Acct	21,550.16		21,550.16
Misc Funds Turned Over	-		-
Interest Income	89.12	6.17	95.29
Total receipts	<u>812,027.21</u>	<u>6.17</u>	<u>812,033.38</u>
<b>CASH DISBURSEMENTS:</b>			
Accounting Fees	\$ -		-
Bank Charges	193.00	20.00	213.00
Funds to Suncor Fontana	222,000.00		222,000.00
Funds to Genearl Acct	20,000.00	150,000.00	170,000.00
Legal Fees	-	-	-
Bonds	-		-
Security Services	66,705.92	13,358.52	80,064.44
Insurance	7,683.54		7,683.54
Professional Fees	21.00		21.00
Construction Permits	-		-
Equipment Rental	3,065.40	549.20	3,614.60
General Maintenance/Repairs/Supplies	1,101.80	198.00	1,299.80
Receiver Fees	-		-
Receiver Costs	-		-
Property Tax	40,030.16		40,030.16
Utilities	1,615.15	41.21	1,656.36
Total disbursements	<u>362,415.97</u>	<u>164,166.93</u>	<u>526,582.90</u>
(Decrease)/Increase in Cash	449,611.24	(164,160.76)	285,450.48
Cash-Beginning of period	-	449,611.24	-
Cash-End of period	<u>449,611.24</u>	<u>285,450.48</u>	<u>285,450.48</u>



**Receiver's Monthly Interim Report  
Estate of Suncor, Yanrob's Medical, Inc.**

Stephen J. Donell, Receiver  
12121 Wilshire Boulevard, Suite 1120  
Los Angeles, CA 90025

**Case Number:** 5:15-cv-02387-SVW (KKx)  
**Case Name:** Security and Exchange Commission vs.  
Robert Yang, Claudia Kano, Suncor Fontana, LLC  
Suncor Hesperia LLC, and Suncor Care Lynwood, LLC  
**Cumulative Period:** December 11, 2015 - November 30, 2016

Description	Prior Period 12/11/15-10/31/16	Current Period 11/1/16-11/30/16	Cumulative 12/11/15-11/30/16
<b>CASH RECEIPTS:</b>			
Funds Turned Over by Defendant	40,977.11		40,977.11
Funds Deposited into Pacific Premier Bank by Defendant	20,120.61		20,120.61
Funds from Noridian	110,965.02	-	110,965.02
Misc Funds Turned Over	1,475.54	128.88	1,604.42
Interest Income	-		-
Total receipts	173,538.28	128.88	173,667.16
<b>CASH DISBURSEMENTS:</b>			
Accounting Fees	\$ -		-
Bank Charges	37.00		37.00
Legal Fees	-		-
Payroll Expenses/Taxes	6,269.36		6,269.36
Postage/Delivery Costs	85.85		85.85
Malpractice Insurance	-		-
Professional Fees	3,500.00		3,500.00
Office Telephone	2,996.47		2,996.47
Association Dues	11,721.60	-	11,721.60
Fire & Liability	-		-
Receiver Fees	-		-
Receiver Costs	-		-
Total disbursements	24,610.28	-	24,610.28
(Decrease)/Increase in Cash	148,928.00	128.88	149,056.88
Cash-Beginning of period	-	148,928.00	-
Cash-End of period	148,928.00	149,056.88	149,056.88

# **EXHIBIT 2**

Fund Accounting:			
	Detail	Subtotal	Grand Total
Beginning Balance:			3,869,794.04
<b>Increases in Fund Balance:</b>			
Business Income	400,000.00		
Cash and Securities			
Interest/Dividend Income	221.20		
Business Asset Liquidation	128.88		
Personal Asset Liquidation			
Third-Party Litigation Income			
Miscellaneous- Funds Turned Over by Celtic Bank	-		
<b>Total Funds Available:</b>			4,270,144.12
<b>Decreases in Fund Balance:</b>			
Disbursements to Investors			-
Disbursements for Receivership Operations			
<i>Disbursements to Receiver or Other Professionals</i>	635,547.06		
<i>Business Asset Expenses</i>	-		
<i>Personal Asset Expenses</i>			
<i>Investment Expenses</i>	80.00		
<i>Third-Party Litigation Expenses</i>			
1. Attorney Fees	-		
2. Litigation Expenses	-		
<i>Total Third-Party Litigation Expenses</i>		-	
<i>Tax Administrator Fees and Bonds</i>	-		
<i>Federal and State Tax Payments</i>	-		
<b>Total Disbursements for Receivership Operations</b>			635,627.06
Disbursements for Distribution Expenses Paid by the Fund:			
<i>Distribution Plan Development Expenses:</i>			
1. Fees:			
Fund Administrator.....	-		
Independent Distribution Consultant (IDC).....	-		
Distribution Agent.....	-		
Consultants.....	-		
Legal Advisers.....	-		
Tax Advisers.....	-		
2. Administrative Expenses	-		
3. Miscellaneous	-		
<i>Total Plan Development Expenses</i>		-	
<i>Distribution Plan Implementation Expenses:</i>			
1. Fees:			
Fund Administrator.....	-		
Independent Distribution Consultant (IDC).....	-		
Distribution Agent.....	-		
Consultants.....	-		
Legal Advisers.....	-		
Tax Advisers.....	-		
2. Administrative Expenses	-		
3. Investor Identification:			
Notice/Publishing Approved Plan.....	-		
Claimant Identification.....	-		
Claims Processing.....	-		
Web Site Maintenance/Call Center.....	-		
4. Fund Administrator Bond	-		
5. Miscellaneous	-		
6. Federal Account for Investor Restitution (FAIR) Reporting Expenses	-		
<i>Total Plan Implementation Expenses</i>		-	
<b>Total Disbursements for Distribution Expenses Paid by the Fund</b>			-
Disbursements to Court/Other:			
<i>Investment Expenses/Court Registry Investment System (CRIS) Fees</i>	-		
<i>Federal Tax Payments</i>	-		
<b>Total Disbursements to Court/Other:</b>			-
<b>Total Funds Disbursed:</b>			635,627.06
Ending Balance (As of 11/30/2016):			3,634,517.06

Receiver:  
 By: \_\_\_\_\_  
 (Signature)  
 Stephen J. Donell  
 (Printed Name)  
 Date: \_\_\_\_\_



**PROOF OF SERVICE**

*Securities and Exchange Commission v. Robert Yang, Suncor Fontana, et al.*  
USDC, Central District of California – Case No. 5:15-cv-02387-SVW (KKx)

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 865 S. Figueroa Street, Suite 2800, Los Angeles, California 90017-2543.

A true and correct copy of the foregoing document(s) described below will be served in the manner indicated below:

**THIRD QUARTERLY STATUS REPORT  
OF RECEIVER, STEPHEN J. DONELL**

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")** – the above-described document will be served by the Court via NEF. On **January 9, 2017**, I reviewed the CM/ECF Mailing Info For A Case for this case and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

- **Zachary T. Carlyle**  
carlylez@sec.gov,kasperg@sec.gov,karpeli@sec.gov,  
blomgrene@sec.gov,pinkstonm@sec.gov,NesvigN@sec.gov
- **Stephen J. Donell**  
jdelcastillo@allenmatkins.com
- **Mark T. Hiraide**  
mth@msk.com,kjue@phlcorplaw.com,  
hitabashi@phlcorplaw.com,eganous@phlcorplaw.com
- **Leslie J. Hughes**  
hughesLJ@sec.gov,kasperg@sec.gov,pinkstonm@sec.gov,  
nesvign@sec.gov
- **George D. Straggas**  
George.straggas@straggasdean.com;sarah.borghese@straggasdean.com,  
eric.dean@straggasdean.com
- **David J. Van Havermaat**  
vanhavermaatd@sec.gov,larofiling@sec.gov,berryj@sec.vog,  
irwinma@sec.gov
- **Joshua Andrew del Castillo**  
jdelcastillo@allenmatkins.com

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- **David R Zaro**  
dzaro@allenmatkins.com

2. **SERVED BY U.S. MAIL OR OVERNIGHT MAIL (indicate method for each person or entity served)**: On \_\_\_\_\_, I served the following person(s) and/or entity(ies) in this case by placing a true and correct copy thereof in a sealed envelope(s) addressed as indicated below. I am readily familiar with this firm's practice of collection and processing correspondence for mailing. Under that practice it is deposited with the U.S. postal service on that same day in the ordinary course of business. I am aware that on motion for party served, service is presumed invalid if postal cancellation date or postage meter date is more than 1 (one) day after date of deposit for mailing in affidavit. Or, I deposited in a box or other facility regularly maintained by FedEx, or delivered to a courier or driver authorized by said express service carrier to receive documents, a true copy of the foregoing document(s) in sealed envelopes or packages designated by the express service carrier, addressed as indicated above on the above-mentioned date, with fees for overnight delivery paid or provided for.

I declare that I am employed in the office of a member of the Bar of this Court at whose direction the service was made. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on **January 9, 2017** at Los Angeles, California.

*/s/ Martha Diaz*  
\_\_\_\_\_  
Martha Diaz